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SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

The Contract Line Item Number (CLIN) structure for providing core and enhanced services to the Government are described in this section.

B.1 Fixed Price IDIQ CLINs

The Contractor shall meet the requirements of TCE through the use of a fixed price, Indefinite Delivery Indefinite Quantity (IDIQ), ordering mechanism for each service identified on the contract with its own unique Contract Line Item Number (CLIN) or sub-CLIN. The Contractor shall allow the Government to order services on the contract at the same fixed price for the contract year, regardless of the quantity ordered each year for different items and regardless of whether the Government concurrently orders multiple quantities on the same delivery order. The contractor shall maintain fixed prices within each contract year period, though the Contractor may vary prices across different years of the contract. With the exception of requirements in SOW Section C.4.1, all services shall be included in the provided fixed price CLINs as monthly prices.

The Contractor shall charge the same recurring prices regardless of the geographical location of the capacity requirement for all sub-CLINs, except the local loop sub-CLIN. For the local loop sub-CLIN, the Contractor may propose different fixed prices as needed, for each location in accordance with the detailed sheets provided to support local loop pricing.

B.2 Identification By CLIN and Pricing By Sub-CLIN

The Contractor shall furnish all services necessary to meet the requirements of Section C of the contract, including all Service Level Agreements (SLAs) provided in Section F, and shall include all charges for these requirements in the prices for CLINs and sub-CLINs in Section B. With the exception of requirements in SOW Section C.4.1, all services shall be included in the provided fixed price CLINs. All Section B CLINs and sub-CLINs shall be priced to reflect monthly pricing.

B.2.1 Pricing Structure

The Managed Service CLIN pricing is established on three major levels:

1. By Category of Site: TCE sites have been categorized into three distinct categories, varying by network availability required as follows (See also C.3.3.1.3):
 - Category-1 sites 99.99 % (four 9's) availability
 - Category-2 sites 99.9 % (three 9's) availability
 - Category-3 sites 99.0 % (two 9's) availability
2. By Bandwidth: Within each category of site, distinctive levels of bandwidth have been identified. The increments vary by site category as follows:
 - Category-1 sites 16 increments ranging from 1.544Mbps – 10Gbps
 - Category-2 sites 12 increments ranging from 1.544Mbps – 155Mbps
 - Category-3 sites 14 increments ranging from 128Kbps – 45Mbps

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3. By Class of Service: Within each bandwidth increment, three classes of service have been identified (See C.3.3.1.3, Table C-3):

4. Additionally, subCLINs have been provided to allow site specific ordering of enhanced services for managed firewall, intrusion detection and virus protection.

The managed service pricing for a location will have two main elements:

1. The fixed transport price based on category of site, bandwidth and class of service. This price will be applicable to any location. The transport element will include all associated costs of the managed service except for the local loop (See B.2.2 below for exception).
2. The local loop price which will be based on the guidance at B.2.2 below.

Although each time the Government orders a managed service under the contract, it will order one of the transport sub-CLINs AND a local loop, the Government reserves the right to order any combination of the enhanced service sub-CLINs, including none at all.

The Contractor shall provide a set of fixed **monthly** prices for the full range of various bandwidth capacities, for each of the three site categories as provided in the CLIN spreadsheets within this section. Separate pricing tables are provided for transport pricing and local loop pricing for each category of site.

Finally, CLINs have been included for link encrypted capacity between IRS data centers. All pricing in Section B for Link Encryption shall be in monthly prices. Attachment J-2, "Link Encryption Capacities - IRS", contains details on the specific capacities needed. The Offeror is advised that the IRS intends to migrate away from its need for link encrypted circuits as soon as feasible. The Offeror shall provide pricing for link encrypted circuits as described in J-2 for three years.

B.2.2 Local Loop Pricing Guidance

The Government also wishes to accommodate variations due to geography for pricing for local loops used in connecting to the TCE network. Based on the differences in the categories of sites, different guidelines are provided for loop pricing.

Category 1 and Category 2 Sites:

Fixed **monthly** pricing for local loop solutions for each bandwidth increment for Category 1 and Category 2 sites as listed in Attachment B-2 **shall** be listed in completed tables for those sites. Pricing **shall** be provided on a site-by-site basis, and **shall** be separated from the bundled transport CLIN prices. **Pricing for the local solution to a given site shall include all the loops used in the solution (i.e., if multiple loops are used in the solution for a given site, all of the loops are included in the price).**

Category 3 Sites:

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The Government prefers a bundled price for Category 3 sites, inclusive of the local loop. If choosing to bid this way, vendors **shall** clearly state that the local loop is included in the bundled transport CLIN price.

However, vendors that wish to offer an unbundled price for Category 3 local loops may do so by completing table B-3 for Category 3 local loops in each NPA-NXX region listed in the table. The Government recognizes that pricing may be the same for multiple NPA-NXX regions; however, if bidding local loops unbundled from transport CLINs for category 3 sites, the vendor **shall** complete the full table to accommodate price comparison between vendors.

The vendor shall provide either an unbundled CLIN price for Category 3 local loops, or alternatively the vendor shall include the local loop with the bundled transport CLIN, and shall explicitly state which approach is being used.

B.3 Include All Charges in CLIN Prices

The Contractor shall furnish all services necessary to meet the requirements of Section C of the contract, including all Service Level Agreements (SLAs), and shall include all charges (inclusive of all taxes, fees, and other charges) for these requirements in the prices for CLINs and sub-CLINs in Section B. The Contractor shall use the CLIN prices from Section B in the pricing of individual delivery orders. The Contractor is responsible for meeting the network performance and operational requirements for all services ordered. **All Section B CLINs and sub-CLINs shall be priced to reflect monthly pricing.**

B.4 Time and Materials CLINs for Special Projects

Fixed price labor CLINs are provided to support special projects. Labor rates are fully burdened, including all associated costs and fees. **See Section J, Attachment B-1 CLIN Pricing Table (X045) and Section J, Attachment L-4 Price Evaluation Model - Time and Material Cost.** Burdens associated with material shall include all associated costs and fees.

Quantities of hours and material shall be determined via a negotiated task order process as special projects are identified by the Government. The Contractor shall conduct those projects using the labor rates established on these Time and Materials CLINs, or based on commercial solution pricing, whichever is lower. Further, the project shall proceed using metrics for service levels negotiated at time of award of the task order.

B.5 Ordering Periods - Base and Option Periods

Base Period	Date of award through 33 months (Reflected as 9 months for Contract Year 1; 12 months for Contract Year 2; and 12 months for Contract Year 3 in the CLIN Pricing Tables)
First Option Period (Contract Year 4)	12 months after base period
Second Option Period (Contract Year 5)	12 months after Option Year 1
Third Option Period (Contract Year 6)	12 months after Option Year 2
Fourth Option Period (Contract Year 7)	12 months after Option Year 3
Fifth Option Period (Contract Year 8)	12 months after Option Year 4
Sixth Option Period (Contract Year 9)	12 months after Option Year 5
Seventh Option Period (Contract Year 10)	12 months after Option Year 6